New York ISO
Independent System Operator

Order No. 1920 Long-Term Regional Transmission Planning

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Monday March 9, 2026

Agenda

- **Proposal Updates**
  - 3-Year Outlook Timeline
  - Voluntary Funding
- **Next Steps**
- **Appendix**
  - Process Overview & Proposal
  - Order No. 1920 Definitions

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Previous Presentations

- **August 6, 2024, TPAS/ESPWG (Presentation)**
  - Preliminary schedule and Order No. 1920 requirement review
- **January 21, 2025, ESPWG/TPAS (Presentation)**
  - Update to include Order No. 1920A reforms
- **February 12, 2025, ESPWG/TPAS (Presentation)**
  - Notification of extensions for compliance filings to address regional requirements to 4/30/2026 and interregional requirements to 6/14/2027
- **September 25, 2025, ESPWG/TPAS (Presentation)**
  - Straw proposal update
- **November 20, 2025, ESPWG/TPAS (Presentation)**
  - Updated Process proposal and alignment with Existing Planning Processes

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Previous Presentations

- **December 18, 2025, ESPWG/TPAS (Presentation)**
  - Timeline and Next Steps update
- **January 20, 2026, ESPWG/TPAS (Presentation)**
  - End-to-end process review and final proposal updates
- **February 3, 2026, ESPWG/TPAS (Presentation)**
  - Tarriff sections 31.2, 31.3, 31.4, & 31.6 review
- **February 19, 2026 ESPWG/TPAS (Presentation)**
  - Tariff sections 31.2, 31.3, 31.4, & 31.6 review

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3-Year Outlook Timeline

Outlook Timeline

- **The NYISO's previous proposal considered a "head-to-tail" type process where the Outlook is developed and, if a Long-Term Transmission Need is declared, the next Outlook would not be performed until the NYISO has completed its evaluation and selection process for a Long-Term Transmission Project**
- **This approach has several drawbacks:**
  - Unpredictable cadence for Outlook reports
  - Potential 5-year delay between Outlook reports
  - Misalignment w/ 3-year Coordinated Grid Planning Process cycle

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Original Proposed Timeline

Process	2026		2027				2028				2029				2030				2031				2032			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Long-Term Transmission Planning Process	Solicit Input and compile data				Develop the new System & Resource Outlook (1.5 years)						PSC determination (6 months)		Solution solicitation, evaluation, and selection (1.5 years)								Solicit Input and compile data				Develop the 2nd Outlook (1.5 years)			
													OR if PSC does not issue an order, solicit inputs for the next cycle		Develop the 2nd System & Resource Outlook (1.5 years)								PSC determination (6 months)			

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3-Year Outlook Timeline

- **NYISO proposes to adjust the timing of the Long-Term Transmission Planning Process to occur on a more predictable 3-year cycle**
- **To do this the following process changes will be made:**
  - The Outlook study and report will occur on predictable 3-year cycles, starting in 2026/2027
  - If a Long-Term Transmission Need is declared by the NYPSC, the NYISO will perform the project solicitation, evaluation, and selection process in parallel with the development of the subsequent Outlook

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Performance of Outlook Study and Solicitation/Selection Phases in Parallel

Process	2026		2027				2028				2029				2030				2031				2032			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Long-Term Transmission Planning Process	Solicit Input and compile data				Develop the new System & Resource Outlook (1.5 years)						PSC determination (6 months)		Solution solicitation, evaluation, and selection (Up to 2.5 years)										PSC determination (6 months)			*2nd Long-Term Need Solicitation…*
													Solicit Input and Compile Data				Develop the 2nd System & Resource Outlook (1.5 years)								*3rd Outlook Study…*

Study Phase

Solicitation/Selection Phase

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Benefits of 3-Year Timeline

- **Predictable cadence for Outlook report publication**
  - More consistent alignment with other NYISO CSPP processes
  - Increased # of Catalog of Transmission Needs
  - Study assumptions updated more often
- **Close alignment with Coordinated Grid Planning Process**

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Potential Challenges

- **Outlook Study Assumptions for Open Needs**
  - A specific Long-Term Transmission Project selection will not be available at the time of the commencement of the next Outlook
- **Coordination**
  - Ongoing alignment of the NYISO Long-Term Transmission Planning Process with the Coordinated Grid Planning Process
- **NYISO will request a variation to FERC Order No. 1920 requirements to permit overlapping study/solicitation processes**

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Voluntary Funding

Order No. 1920 Voluntary Funding Requirements

- **Transmission providers must include a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet transmission providers' selection criteria.**
  - The process must be transparent and not unduly discriminatory or preferential; and transmission providers must consult with and seek support from Relevant State Entities when developing such processes.

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Order No. 1920 Voluntary Funding Requirements (cont.)

- **Transmission providers must include in their OATT:**
  - the process by which transmission providers will make voluntary funding opportunities available to Relevant State Entities and interconnection customers, which must ensure that they receive timely notice and a meaningful opportunity;
  - the period during which Relevant State Entities and interconnection customers may exercise the voluntary funding option;
  - the method that transmission providers will use to determine the amount of voluntary funding required to ensure that the Long-Term Regional Transmission Facility meets the transmission providers' selection criteria; and
  - the mechanism through which transmission providers and Relevant State Entities or interconnection customers will memorialize any voluntary funding agreement.

- **For any portion of the costs of a selected Long-Term Regional Transmission Facility that is not voluntarily funded, such remaining costs must be allocated according to either the applicable Long-Term Regional Transmission Cost Allocation Method or a cost allocation method resulting from a State Agreement Process.**

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Voluntary Funding Proposal

- **A Developer may propose a Voluntary Funding Arrangement when it submits its project information for its proposed Long-Term Transmission Project.**
- **The Developer must provide the following information with its project proposal concerning the arrangement:**
  - The specific new transmission facility(ies) that will be subject to the arrangement (which facilities do not include Upgrades or Right-Sized Replacement Transmission Facilities)
  - The amount ($) of funding secured towards the specific facility
  - The identity of the sponsoring entity that has agreed to provide funding
  - The mechanism by which the sponsoring entity will provide the funding and documentation concerning the arrangement (e.g., copies of contracts; orders authorizing state funding), including the scope, terms, and enforceability of the arrangement

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Voluntary Funding Proposal

- **The Developer must provide the following information with its project proposal concerning the arrangement (cont.):**
  - Documentation concerning the sponsoring entity's capability to satisfy the proposed funding arrangement (e.g., audited financial statements, credit rating, evidence of experience financing or arranging financing of transmission facilities, description of prior bankruptcies, material defaults, dissolutions, etc)
  - A notarized certification of an authorized officer/official of the sponsoring entity confirming the sponsoring entity's agreement to voluntary fund some or all of the project.
- **Developer may also demonstrate agreement with applicable Transmission Owner(s) to apply the voluntary funding for the project to any Upgrades or Right-Sized Replacement Transmission Facilities included with the project.**
  - In such case, Developer must detail the mechanism by which the sponsoring entity will provide or can assign this funding and the Transmission Owner(s)' agreement to use this funding.

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Voluntary Funding Proposal

- The Developer may provide additional support for its Voluntary Funding Arrangement in the evaluation process up to 30-calendar days following the NYISO's posting of the final list identifying the characterization of facilities (e.g. identifying new transmission facilities and facilities that satisfy the definition of a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility)
  - This could include additional support for any agreement with a Transmission Owner to apply the voluntary funding to a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility
  - This could also include clarifying the allocation of voluntary funding based on the characterization of the proposed facilities
- If a project with a Voluntary Funding Arrangement is selected by the NYISO, any Designated Entity that is responsible for a portion of the project and that has committed to use the Voluntary Funding Arrangement for that portion will be required to memorialize that arrangement in its Development Agreement for its portion of the project and to include the arrangement in its rate filing at FERC.
- Such Designated Entity will not be eligible to recover under the NYISO OATT its project costs that it has committed to recover through the Voluntary Funding Arrangement and will bear the financial risk concerning its ability to recover its costs through its proposed funding arrangement.

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Voluntary Funding Proposal

- **NYISO will review the information provided by the Developer concerning the terms and enforceability of the Voluntary Funding Arrangement and may account for the proposed arrangement in its evaluation and selection process**
  - If NYISO determines that the proposed Voluntary Funding Arrangement can be sufficiently relied upon, the NYISO will account for voluntary funding in the capital cost estimate of the Project
    - If a cost cap has also been provided by the Developer, the NYISO would account for the Voluntary Funding Arrangement in the qualitative and/or quantitative assessment of the cost cap.

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Next Steps

Topics for Further Discussion

- Tariff updates based on stakeholder comments
- Reevaluation and Right-Sizing Requirements
- Cost allocation requirement for Long-Term Transmission Planning Process
- Remaining tariff language for Attachment Y and conforming tariff revisions in OATT and MST
- Addressing interregional requirements (2027)

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2026 Schedule for Order No. 1920

- ✓ **January 2026:** Post 1st draft of primary tariff sections for February 3rd ESPWG
- ✓ **February 2026:** Post revisions to primary tariff sections and additional tariff sections with substantive revisions
- **March 2026:** Post complete set of draft tariff language including any revisions to previous material
- **April 2026:** Present final draft of tariff language at stakeholder meetings (ESPWG/TPAS and BIC)
- **April 30, 2026:** Submit compliance filing on regional planning requirements

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Questions, Comments, & Feedback?

Email additional feedback related to Order No. 1920 compliance proposal to: stakeholder_services@nyiso.com with the subject line "Order No. 1920"

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Our Mission & Vision

Mission

Ensure power system reliability and competitive markets for New York in a clean energy future

Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation

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Appendix

Updates post February 19 ESPWG

included in red text

Appendix

Background on Order No. 1920

Order Nos. 1920 & 1920-A - Overview

- On May 13, 2024, FERC issued Order No. 1920 – a final rule in its Building for the Future Through Electric Regional Transmission Planning and Cost Allocation proceeding (Docket No. RM21-17-000).
- Order No. 1920 builds on FERC's Order Nos. 890 and 1000 and represents the most significant reform to the FERC's transmission planning requirements in over a decade.
- The primary focus of the reforms is the adoption of a new Long-Term Regional Transmission Planning process to establish "sufficiently long-term, forward-looking, and comprehensive transmission planning requirements."
- On November 21, 2024, FERC issued Order No. 1920-A. While Order No. 1920-A largely leaves the original rule intact, it enhances the role of Relevant State Entities in the Long-Term Regional Transmission Planning process through the incorporation of state input on scenarios and requires the filing of any ex ante cost allocation method agreed to by the Relevant State Entities.
- On April 11, 2025, FERC issued Order No. 1920-B, which did not change the outcomes of the prior orders, but simply provided limited clarifications.
- Throughout the presentation, the NYISO's reference to "Order No. 1920" will refer to Order Nos. 1920, 1920-A, and 1920-B interchangeably, unless specifically noted.

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Order No. 1920 – Key Reforms

- Development of a Long-Term Regional Transmission Planning process
- Development of *ex ante* cost allocation methodologies to allocate the costs of selected transmission projects for addressing Long-Term Transmission Needs
- Consider use of grid enhancing technologies as transmission solutions in the Long-Term Regional Transmission Planning and existing planning processes
- Consider transmission facilities to address interconnection-related needs identified multiple times in the interconnection process but not built
- Enhance the stakeholder process for reviewing local transmission planning
- Provide for the potential opportunity to "right size" certain transmission facilities that the transmission owner anticipates replacing with an in-kind replacement transmission facility and establish a federal right of first refusal for the transmission owner to develop such right-sized replacement transmission facilities

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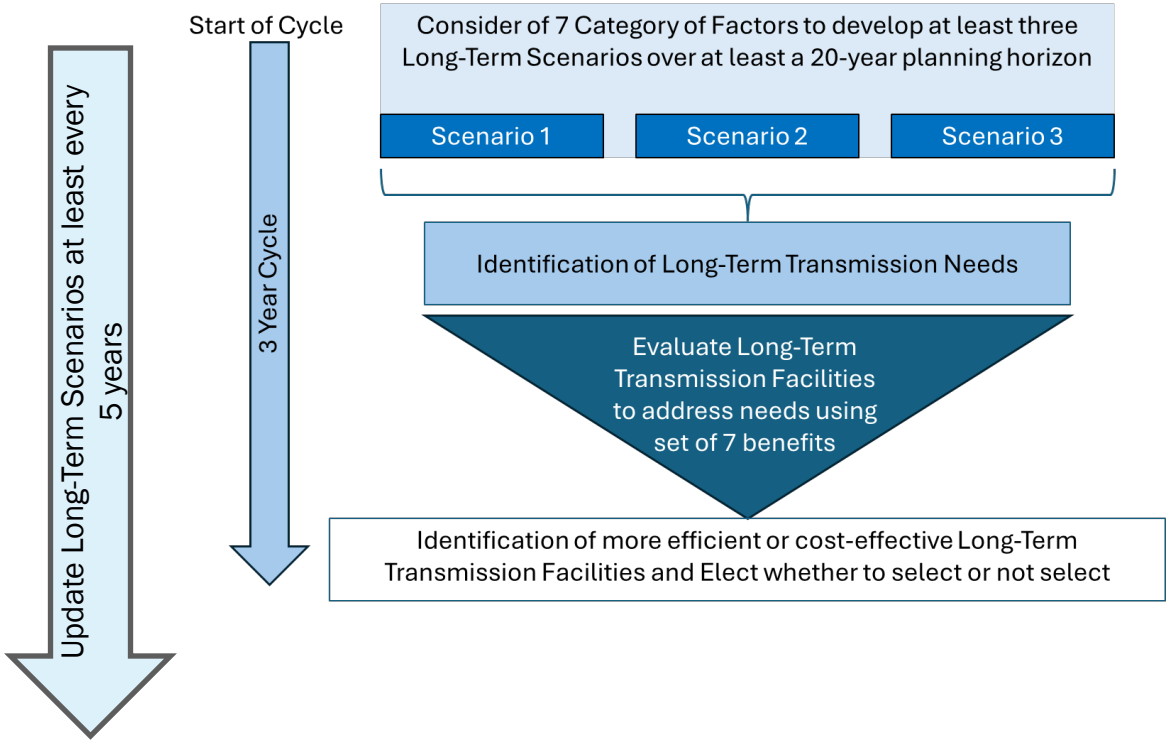
Appendix

Outline of Long-Term Transmission Planning Process and Alignment with Comprehensive System Planning Process

General Flow of Order No. 1920 Long-Term Regional Transmission Planning Rules



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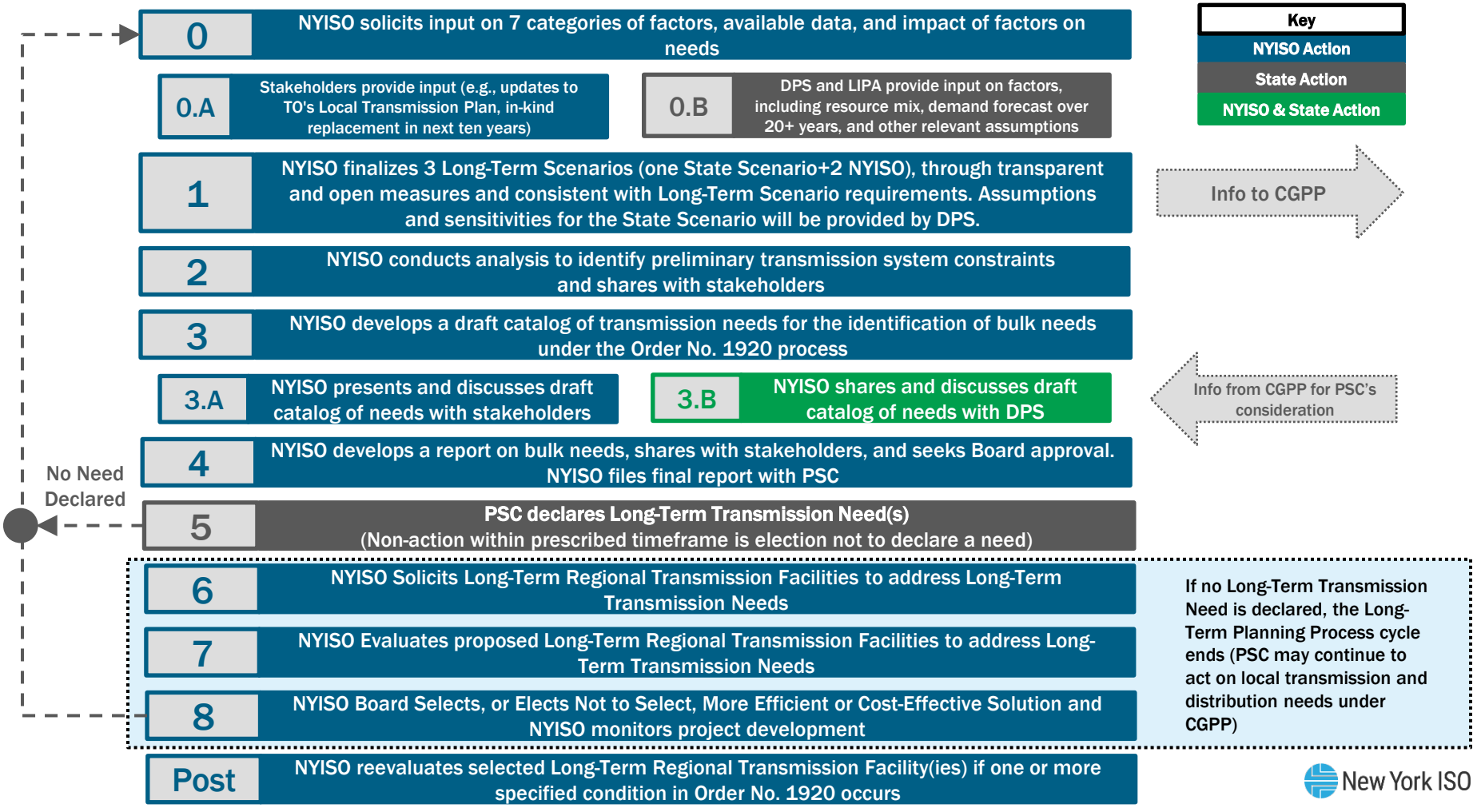

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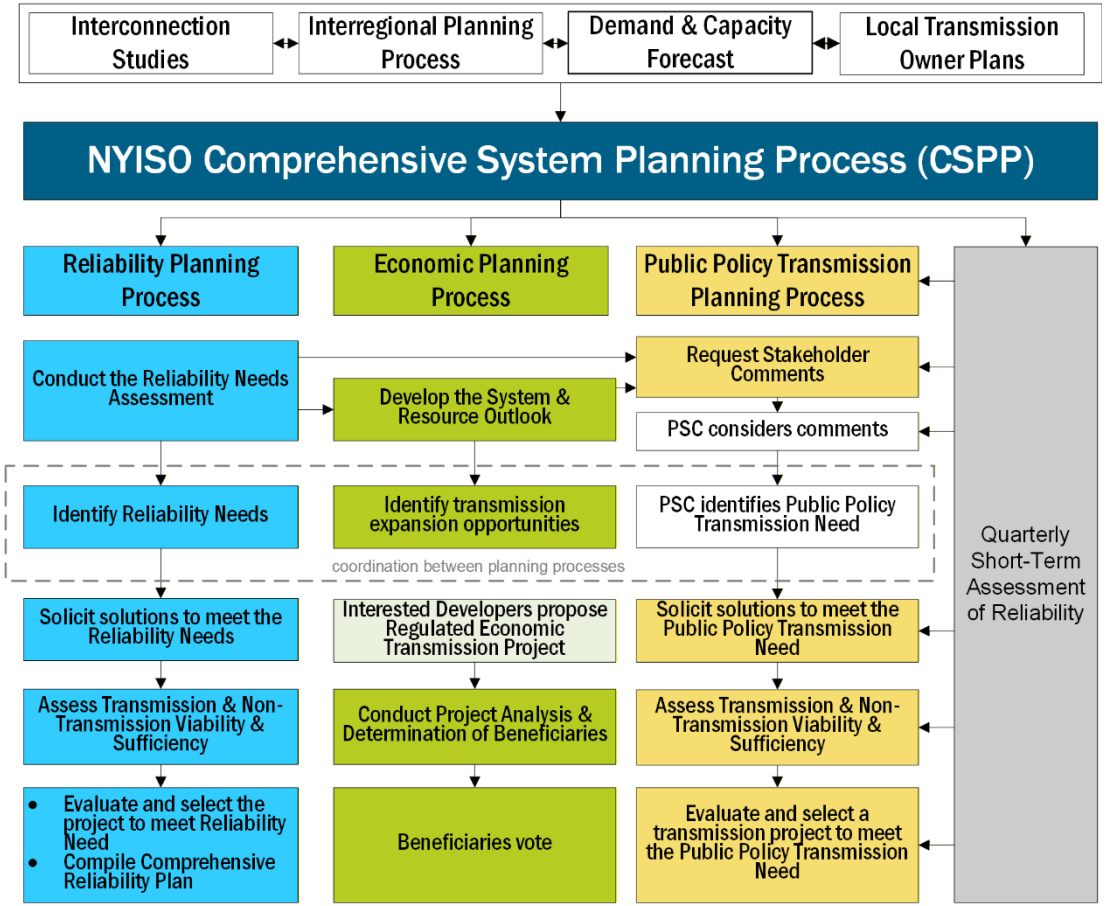
Current CSPP Structure



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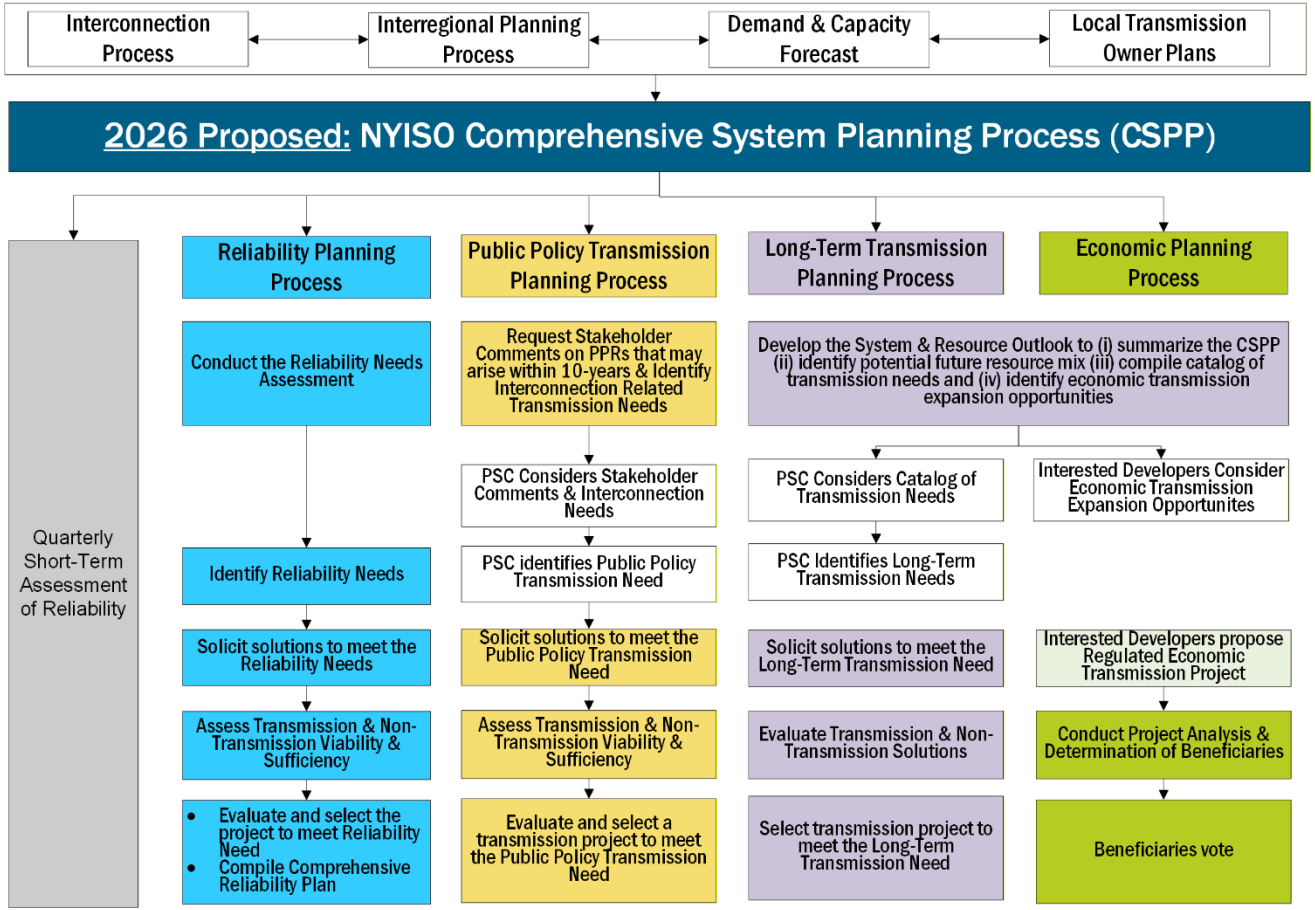
Proposed CSPP Structure



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Appendix

Timeframe for Long-Term Transmission Planning Process

Order No. 1920 Timing Requirements

- Transmission Provider (i.e., NYISO) is required to complete the Long-Term Transmission Planning Process within three years. This three-year period begins with development of the Long-Term Scenarios and ends with a determination by the transmission provider to select or not select a Long-Term Regional Transmission Facility.
- The interval between the development of Long-Term Scenarios must be no later than five years.

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Proposed Timeframe for Long-Term Transmission Process

- **NYISO proposes that the Long-Term Transmission Planning Process have a scheduled duration of three years and six months, which scheduled time period includes a period of time for the NYPSC to consider whether to identify a Long-Term Transmission Need in a proceeding under the State Administrative Procedure Act.**
- **The cycle would be conducted every five years as a minimum. The NYISO would set the start date for the subsequent Long-Term Transmission Planning Process during or at the conclusion of the prior process.**
  - In setting the start date, the NYISO could consider the duration of the prior process and the alignment of the upcoming Long-Term Transmission Planning Process with other NYISO and state planning processes.
  - NYISO intends the start date of the first cycle of the Long-Term Transmission Planning Process (Step 1) to be in Q2 2027. NYISO intends to commence information gathering (Step 0) in August 2026.

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Proposed Timeframe for Long-Term Transmission Process (cont.)

- The end date of a Long-Term Transmission Planning Process would be the later of: (i) the NYPSC's determination not to identify a Long-Term Transmission Need within designated timeframe prescribed by the ISO, including its not issuing an order, (ii) the NYPSC's determination to eliminate a previously identified Long-Term Transmission Need, or (iii) the NYISO Board's determination to select or not select a transmission solution to address a Long-Term Transmission Need.

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Appendix

System & Resource Outlook

System & Resource Outlook ("Outlook")

- **NYISO proposes to expand the System & Resource Outlook that is currently performed solely as part of its Economic Planning Process to also serve as the transmission planning study for its Long-Term Transmission Planning Process.**
- **As revised, the Outlook will:**
  - (i) summarize the current assessments, evaluations, and plans in the Comprehensive System Planning Process and the information and sources relied upon by the ISO;
  - (ii) identify the potential future resource mix;
  - (iii) assess the New York State Transmission System over a twenty-year Study Period using at least three Long-Term Scenarios and an Extreme Weather Sensitivity to identify potential transmission needs that drive the need for expansion or upgrades to the BPTFs; and
  - (iv) Identify economic transmission expansion opportunities

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Order No. 1920 Requirements For Factors Driving Transmission Needs

- Transmission providers have the flexibility to develop different Long-Term Scenarios specific to their transmission planning region and develop assumptions based on the categories of factors but do not have flexibility to choose which of the proposed categories of factors to incorporate into Long-Term Scenarios.
- Transmission providers cannot exclude some of the proposed categories of factors from being incorporated in the development of Long-Term Scenarios.
- Where factors may have overlapping effects on the planning assumptions, Transmission providers must avoid double counting the effect of those factors on assumptions used to develop Long-Term Scenarios.

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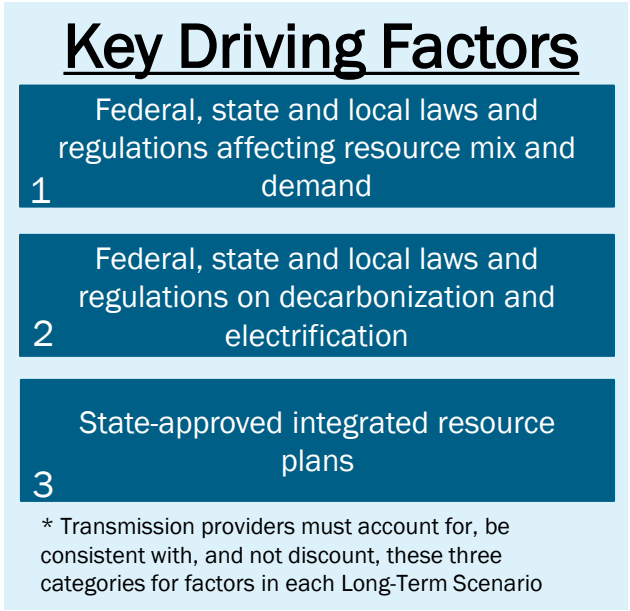
Key Driving Factors 1, 2 and 3



- **Factors 1 and 2:**
  - Work with Relevant State Entities to ensure that the identified state laws and regulations are incorporated into Long-Term Scenarios in a way reflect the state's preferred implementation of those laws and regulations
  - "Laws and regulations" are namely "enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction" at the federal, federally-recognized Tribal, state, and local levels
- **Factor 3: State-approved integrated resource plans broadly include any resource plan developed and reviewed through a retail commission proceeding and submitted to the relevant transmission provider for use in a Long-Term Regional Transmission Planning**

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Factors 4, 5, 6, and 7

4	Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies
5	Resource retirements
6	Generator interconnection requests and withdrawals
7	Utility, federal, federally recognized Tribal, state, and local policy goals that affect Long-Term Transmission Needs

** Transmission providers have greater flexibility and can assess the likelihood that the factors will be achieved and can discount or place more weight on certain factors

- **Factor 5: Transmission providers must account for likely resource retirements beyond those that have been publicly announced**
  - Example methods: generating facility's age, its emissions profile, its projected costs and revenues, and any applicable laws and regulations that may affect a generating facility's continued operation over the transmission planning horizon
- **Factor 6: Transmission providers have discretion and can also account for uncertainty by discounting or putting more weight on the anticipated effects on Long-Term Transmission Needs**
- **Factor 7: Transmission providers have discretion and can account for the uncertainty associated with the achievement of these commitments and goals**
  - Order No. 1920-A set aside the requirement to incorporate corporate commitments

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Long-Term Transmission Process Step 0.A

0.A	NYISO solicits input from stakeholders on factors, available data, and impact of factors on needs (e.g., updates to TO's Local Transmission Plan, in-kind replacement in next ten years)

- Step 0.A occurs prior to the official initiation of the scheduled time period for the performance of the Long-Term Transmission Planning Process
- In this step the NYISO solicits input from stakeholders on the factors that may affect Long Term Transmission Need(s):
  - NYISO, in collaboration with stakeholders and Relevant State Entities, would solicit factors that may affect Long Term Transmission Need(s).
  - These factors are likely to be key assumptions in the Long-Term Scenarios analyzed (e.g., load forecast, firm generation/transmission projects, etc.).
- This step is like the current System & Resource Outlook reference case development process

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Long-Term Transmission Process Step 0.B

0.B	DPS provides input on the 7 categories of factors, including resource mix, demand forecast over 20+ years, and other relevant assumptions

- Step 0.B occurs in parallel with Step 0.A and prior to the official initiation of the scheduled time period for the performance of the Long-Term Transmission Planning Process

Order No. 1920 Scenario Development Requirements

- **Scenarios:**
  - Minimum three, all must follow Order No. 1920 requirements
  - Plausible and diverse
  - Use “best available data inputs”
- **Sensitivities:**
  - Each Long-Term Scenario would have a sensitivity to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area

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Order No. 1920 Requirements on Stakeholder Input on Scenarios

- **Order No. 1920 requires transmission providers to afford a meaningful opportunity to provide timely input on how to account for specific factors, including additional categories of factors, in the Long-Term Scenarios development.**
- **To facilitate such feedback, Order No. 1920 requires transmission providers to publish on the public portion of an OASIS or other public website the following:**
  - the list of the factors in each of the categories of factors that they will account for in their Long-Term Scenarios;
  - a description of each factor that they will account for in their Long-Term Scenarios;
  - a general statement explaining how they will account each of the factors in their Long-Term Scenarios;
  - a description of the extent to which they will discount any factors in Factor Categories 4 through 7 in each Long-Term Scenario or additional category of factors; and
  - a list of the factors that they considered but did not incorporate in each category of factors in their Long- Term Scenarios.

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Long-Term Transmission Process Step 1

1	NYISO finalizes 3 Long-Term Scenarios (one State Scenario+2 NYISO), through transparent and open measures and consistent with Long-Term Scenario requirements. Assumptions and sensitivities for the State Scenario will be provided by DPS.

- This step starts the scheduled duration of the Long-Term Transmission Planning Process to satisfy the requirements by Order No. 1920
- This would assess various factors that are likely to affect Long-Term Transmission Needs and then determine the final scenarios used for need identification
- NYISO proposes to include a Long-Term State Scenario and associated sensitivities to align with CGPP. The assumptions will be provided by DPS.
- NYISO will develop two other Long-Term Scenarios and associated sensitivities considering stakeholder inputs
- NYISO will develop an Extreme Weather Sensitivity for use with all of the Long-Term Scenarios

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Long-Term Transmission Process Step 2 (cont.)

2 NYISO conducts analysis to identify preliminary transmission system constraints

- **The NYISO will use, as appropriate, production cost, capacity expansion, power flow, and other models for purpose of its analysis in the Outlook**
  - Technical analyses would be similar to NYISO's existing process in the Outlook with the likely addition of power flow analysis to gain additional understanding of system conditions and potential transmission expansion opportunities.
- **Potential approach to identify the bulk transmission expansion opportunities:**
  - Identify the significant and persistent areas that may result in transmission constraints across multiple Long-Term Scenarios, such as generation pockets/interfaces, and the leading cause that forms the pocket/interface
  - Identify the leading cause that forms the pocket/interface or if a transmission constraint severely impedes meeting a specific scenario objective

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Long-Term Transmission Process Step 2

2 NYISO conducts analysis to identify preliminary transmission system constraints

- The NYISO will use the metrics as appropriate to inform the benefits in Long-Term Transmission Planning Process and Economic Planning Process such as production cost, transmission congestion, LBMP, emissions, energy deliverability, load payments, generator payments, ancillary service costs, capacity costs, energy losses, energy curtailment, unserved energy, etc.
- The simulations and analyses would provide NYISO with a deeper technical understanding of future system conditions for each of the scenarios to enable recommendations on potential transmission investment opportunities.

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Long-Term Transmission Process Step 3

- The NYISO will assess the study results and, based on its engineering judgement and its consultation with the ESPWG and NYDPS, will identify potential transmission needs.
- The potential transmission needs are areas of significant and persistent limitations on the New York State Transmission System that drive the need for expansion or upgrades to the BPTFs.
- The NYISO will include the potential transmission need(s) in the Catalog of Transmission Needs, which will be included in the Outlook.

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NYISO Long-Term Process Step 3 (cont.)

- The NYISO will share transmission expansion opportunities from the Long-Term Scenarios and Sensitivities with the DPS and stakeholders
- Using the analytical findings, NYISO will share potential bulk transmission needs with the DPS
- The NYISO will also discuss potential local transmission needs from the analysis with the DPS and Joint Utilities
- This step would provide early engagement opportunities prior to the NYISO identifying the potential Long-Term Transmission Needs in the Catalog of Transmission Needs

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Long-Term Transmission Process Step 4

4	NYISO develops a report on bulk needs, shares with stakeholders, and seeks Board approval. NYISO files final report with PSC

- In this step the NYISO develops a public report and includes the Catalog of Transmission Needs
- Similar to today's Outlook report, NYISO will:
  - Solicit feedback through its stakeholder working groups forum
  - Seek NYISO committee input (*e.g.*, advisory votes) and input from the Market Monitoring Unit
  - Seek approval of the report by the Board of Directors
- The NYISO will file the approved report with the NYPSC

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Appendix

Identification of Long-Term Transmission Needs

Long-Term Transmission Process Step 5

5	**PSC declares Long-Term Transmission Need(s)** (Non-action within prescribed timeframe is election not to declare a need)

- This step would provide for the identification of Long-Term Transmission Needs through the issuance of an order by the NYPSC
- There is not a requirement for the NYPSC to identify a Long-Term Transmission Need(s) and any non-action would be treated as an election not to declare a need
- This is similar to the existing Public Policy Process

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Appendix

Solicitation, Evaluation, and Selection Process

Solicitation, Evaluation, and Selection

- NYISO proposes to use the solicitation, evaluation, and selection process in its Public Policy Process as the template for these requirements in its Long-Term Transmission Planning Process with certain revisions that incorporate Order No. 1920 requirements and that address lessons learned from the administration of its Public Policy Process.

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Long-Term Transmission Process Step 6

6 NYISO Solicits Long-Term Regional Transmission Facilities to address Long-Term Transmission Needs

- NYISO will solicit, and qualified developers may propose, Long-Term Transmission Projects or Other Long-Term Projects to address Long-Term Transmission Needs. Other Long-Term Projects are non-transmission or combination of transmission/non-transmission projects that are not eligible for selection for purposes of cost allocation under the NYISO OATT.
- NYISO proposes to use the same developer qualification requirements for the Long-Term Transmission Planning Process as for its other transmission planning processes.
- The project information requirements will be similar to the Public Policy Process, with the exception of additional requirements to address certain Order 1920 requirements (e.g., alternative transmission technologies).
- NYISO proposes to retain from its Public Policy Process the cost containment rules and the requirements concerning the identification of, and the designation of responsibility for, upgrades to existing Transmission Owners' transmission facilities.

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Long-Term Transmission Process Step 7

7	NYISO Evaluates proposed Long-Term Regional Transmission Facilities to address Long-Term Transmission Needs

- The NYISO will evaluate Long-Term Transmission Projects and Other Long-Term Projects in a manner similar to the Public Policy Process, with several exceptions described on the next slides.
- Long-Term Transmission Projects will be evaluated using the 7 Order 1920 required benefit metrics in addition to other selection metrics, as determined by the NYISO, for purposes of recommending the selection of a more efficient or cost-effective transmission project

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Evaluation and Selection Process Proposal

- **The NYISO proposes the following variations in its Long-Term Transmission Planning Process from the related Public Policy Process requirements:**
  - Viability and Sufficiency Assessment
  - Public posting of brief project description
  - Posting of project information to CEII requestors
  - Posting of facility characterization list
  - Metrics for Evaluation and Selection
  - Project Ranking
- **The NYISO is continuing to review and develop the evaluation and selection requirements.**

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Evaluation and Selection Process Proposal

- **Viability and Sufficiency Assessment**
  - NYISO will not perform the Viability and Sufficiency Assessment to assess Long-Term Transmission Projects. NYISO will assess the viability and sufficiency of these projects as part of its evaluation of the projects using the selection metrics.
    - Due to the removal of this process step, the NYISO will propose alternatives to certain tariff deadlines currently tied to this step in the Public Policy Process.
    - Developers will be able to withdraw their project proposal at anytime.
  - NYISO will retain the Viability and Sufficiency Assessment to assess Other Long-Term Projects
    - NYISO will perform the Viability and Sufficiency Assessment of the Other Long-Term Projects with the simultaneous evaluation of Long-Term Transmission Projects
    - Other Long-Term Projects will not be eligible for evaluation and selection to satisfy a Long-Term Transmission Need
    - Developer will be responsible for study costs of the Viability and Sufficiency Assessment including costs associated with the NYISO's use of subcontractors
    - NYISO will include findings of the Viability and Sufficiency Assessment of the Other Long-Term Projects in the Long-Term Transmission Planning Report

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Evaluation and Selection Process Proposal

- **Public posting of brief Project description**
  - NYISO will publicly post a brief description of the project proposals (non–CEII and non-Confidential information) within 15 business days after the close of the solicitation period
- **Posting of project information to CEII requestors**
  - NYISO will make project design and construction information (e.g. CEII and non-CEII information included in Attachment C of the Public Policy Transmission Planning Process manual) available to CEII requestors. Further information will be discussed with NYISO stakeholders during the development of the NYISO manual.
  - Developers will not be required to submit project proposals redacting Confidential Information
  - In its sharing of Confidential Information with PSC/DPS, the NYISO will handle information consistent with the NYISO Code of Conduct
  - Project design and construction information will be made available within 180 calendar days after the close of the solicitation period

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Evaluation and Selection Process Proposal

- **Posting of facility characterization list**
  - NYISO will post a list of the facilities identifying which facilities are new transmission facilities, facilities that satisfy the definition of a Long-Term Transmission Upgrade (similar to Public Policy Transmission Upgrade), and Right-Sized Replacement Transmission Facility within 180 calendar days after the close of the solicitation period.
  - NYISO will apply the same requirements for designating upgrades that are part of a selected transmission solution as its designation requirements in the Public Policy Process.
  - NYISO will post the final list of the facilities identifying which facilities are new transmission facilities, facilities that satisfy the definition of a Long-Term Transmission Upgrade (similar to Public Policy Transmission Upgrade) and Right-Sized Replacement Transmission Facility no later than its posting of the draft Long-Term Transmission Planning Report.

New York ISO

Evaluation and Selection Metrics

- **NYISO will determine the more efficient or cost-effective transmission project using the following metrics (Benefits as per Order 1920)**
  - Avoided or Deferred Reliability Transmission Facilities and Aging Infrastructure
  - Reduced LOLE or reduced planning reserve margin
  - Production cost savings
  - Reduced transmission losses
  - Reduced congestion due to transmission outages
  - Mitigation of extreme weather events and unexpected system conditions
  - Capacity cost benefits from reduced peak energy losses

New York ISO

Evaluation and Selection Metrics

- **Additional metrics that NYISO will apply to all or a subset of projects for purposes of selecting a more efficient or cost-effective transmission project**
  - Capital Cost estimates
  - Qualitative evaluation of any voluntary cost cap
  - Property rights, or ability to obtain the property rights, required to implement the project
  - Delay in constructing the proposed project
  - Operability (during construction and life of project)
  - Expandability
  - Performance
  - NYPSC Criteria

New York ISO

Evaluation and Selection Metrics

- **In consultation with stakeholders, NYISO may consider additional metrics such as:**
  - Cost per MW ratio (the capital cost by the MW value of increased transfer capability)
  - Impact on transfer limits
  - Deliverability
  - LBMP
  - Emissions
  - Other metrics, as needed

New York ISO

Order No. 1920 Benefits 1 through 5

Benefits	Name	FERC Description
1	Avoided or deferred reliability transmission facilities and aging infrastructure replacement	Reduced costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities.
2	Benefit that can be characterized and measured as either reduced loss of load probability or reduced planning reserve margin	Benefit 2(a) measures reduced loss of load probability for resource adequacy planning
		Benefit 2(b) is the reduction in capital costs of generation needed to meet resource adequacy requirements (i.e., planning reserve margins) while holding loss of load probability constant
3	Production cost savings	Savings in fuel and other variable operating costs of power generation that are realized when transmission facilities allow for displacement of higher-cost supplies through the increased dispatch of suppliers that have lower incremental costs of production, as well as a reduction in market prices as lower-cost suppliers set market clearing prices.
4	Reduced transmission energy losses	Reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads.
5	Reduced congestion due to transmission outages	Reduced production costs resulting from avoided congestion during transmission outages

New York ISO

Order No. 1920 Benefits: 6, 7 and Others

Benefits	Name	FERC Description
6	Mitigation of extreme weather events and unexpected system conditions	Reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages.
7	capacity cost benefits from reduced peak energy losses	One potential way is to calculate the present value of capital cost savings associated with the reduction in installed generation requirements. To arrive at the value of capital cost savings, the estimated net cost of new entry could be multiplied by the reduction in installed generation capacity requirements. The resulting value would represent the avoided cost of procuring more generation to cover transmission system losses during peak-load conditions, savings that would be passed on to customers via lowered generation capacity costs.
	Other benefits	TPs may measure and use additional benefits beyond those included in the required set of benefits in Long-Term Regional Transmission Planning, including on a transmission facility or plan-specific basis, subject to the requirement that they do so in a manner that is consistent with their obligations under Order No. 890 and Order No. 1000 transmission planning principles to be open and transparent as to their transmission planning processes.

New York ISO

Evaluation and Selection Process Proposal

- **Project Ranking**
  - In evaluating a more efficient or cost-effective transmission solution to satisfy a Long–Term Transmission Need, the NYISO will evaluate the proposed solution using the seven benefits required by Order 1920, at a minimum
  - NYISO may choose to rank all or a subset of proposed projects and perform further analyses using additional selection metrics to recommend a more efficient or cost-effective transmission project in accordance with NYISO processes and procedures
    - Further details will be discussed with stakeholders during the development of the NYISO Manual

New York ISO

NYISO Long-Term Process Step 8

8 NYISO Board Selects, or Elects Not to Select, More Efficient or Cost-Effective Solution and NYISO monitors project development

- NYISO staff would recommend a transmission solution as the more efficient or cost-effective solution to a Long-Term Transmission Need to the NYISO Board.
- NYISO staff's recommendation would be subject to similar review by stakeholders as in Public Policy Process
- NYISO Board of Directors would determine whether or not to select a Long-Term Regional Transmission Facility.
  - The Board's action in selecting or not selecting a Long-Term Regional Transmission Facility would conclude that planning cycle.

New York ISO

NYISO Order No. 1920 Post Selection

Post — NYISO reevaluates selected Long-Term Regional Transmission Facility(ies) if one or more specified condition in Order No. 1920 occurs

- This step occurs after the conclusion of the planning cycle set by Order No. 1920
- Per Order No. 1920, the NYISO will be required to reevaluate a selected transmission solution due to project delays that could jeopardize reliability, a significant increase in actual or project costs, or significant changes in law and regulations that create reasonable concern that the project may not longer meet the selection criteria.
- Order No. 1920 establishes certain limitations on the reevaluations to ensure that a developer has adequate certainty that it can proceed with the project (e.g., establishing in the OATT a point after which the selected solution will no longer be subject to reevaluation, such as once the project has secured all relevant permits and authorizations).

New York ISO

Appendix

Alignment with Existing Planning Processes

Economic Planning Process Proposal

Current Process

- In the NYISO's current Economic Planning Process, the NYISO performs the System & Resource Outlook, which, among other things, identifies congested elements on the New York State Transmission System
- Developers may propose a Regulated Economic Transmission Project to address constraint(s) on the BPTFs identified in the Outlook
  - A proposed project that satisfies the eligibility requirements for a Regulated Economic Transmission Project must be approved by the identified LSE beneficiaries (i.e., at least 80% approval required)

New York ISO

Economic Planning Process Proposal

Proposal to take into account of Order No. 1920

- **The NYISO proposes to repurpose the Outlook as the transmission study for its Long-Term Transmission Planning Process**
  - In identifying potential transmission needs, the Outlook will indicate whether any of the identified needs are solely economic-driven transmission needs.
- **A Developer may continue to propose a Regulated Economic Transmission Project to address an economic-driven transmission need identified in the new Outlook**
  - An interested developer may propose a regulated economic transmission project within one hundred eighty (180) calendar days following a conclusion of Step 5
  - The NYISO will continue to use its existing tariff process for evaluating proposed Regulated Economic Transmission Projects.
- **NYISO will establish transition rules phasing out the tariff requirements for the existing System & Resource Outlook in the Economic Planning Process with the completion of the current Outlook.**

New York ISO

Existing Public Policy Transmission Planning Process

Current Process

- **Consists of three steps:**
  1. Identification of Public Policy Transmission Needs;
  2. Requests for proposed Public Policy Transmission Projects and Other Public Policy Projects to address those Public Policy Transmission Needs and the evaluation of those projects; and
  3. Selection of the more efficient or cost-effective Public Policy Transmission Project, if any

New York ISO

Public Policy Transmission Planning Process Proposal

Proposal to take into account Order 1920

- Retain its existing, Public Policy Transmission Planning Process to continue in parallel with Long-Term Transmission Planning Process
  - Enable the NYISO to continue to address transmission needs driven by Public Policy Requirements that are identified outside of the long-term transmission planning process
- NYISO continues to solicit potential Public Policy Transmission Needs from stakeholders and interested parties

New York ISO

Public Policy Transmission Planning Process Proposal

- The Public Policy Process focuses on nearer-term transmission needs, e.g., transmission needs that may arise within the next ten years
- When it files with the PSC the potential Public Policy Transmission Needs identified by stakeholders and interested parties, the NYISO would also include a list of potential interconnection-related transmission needs identified consistent with the Order No. 1920 rules
  - The PSC can consider all of the potential transmission needs in determining whether to identify a transmission need to be addressed in the Public Policy Process.

New York ISO

Reliability Planning Process

- The NYISO does not propose modifications to its current Short-Term Reliability Process and Reliability Planning Process, with one limited exception
- As required by Order No. 1920, these processes will provide for considering Alternative Transmission Technologies

New York ISO

Appendix

Additional Order No. 1920 Requirements & Proposals

Order No. 1920 Requirements Beyond the Core Process

- Local Transmission Plan Process Updates
- Interconnection-Related Transmission Needs
- Alternative Transmission Technologies
- Replacement In-Kind/Right-Sizing Process
- Voluntary Funding Opportunities
- Re-Evaluation Requirements

New York ISO

Order No. 1920 Local Transmission Planning Requirements

- **Transmission Providers must revise their regional transmission planning processes to enhance the transparency of:**
  - the criteria, models, and assumptions that they use in their local transmission planning process;
  - the local transmission needs that they identify through the local transmission planning process;
  - the potential local or regional transmission facilities that they will evaluate to address those local transmission needs
- **These requirements only apply to local transmission planning that is within the scope of Order No. 890—i.e., Local Transmission Owner Plans ("LTPs")**

New York ISO

Order No. 1920 Local Transmission Planning Requirements (Cont.)

- **Transmission Provider must establish an iterative process that ensures stakeholders have meaningful opportunities to participate in and provide feedback on local transmission planning.**
- **Transmission Provider must convene three publicly-notice stakeholder meetings (minimum per regional transmission planning cycle)**
  - **Assumptions Meeting** – to review criteria, assumptions, and models related to each Transmission Provider's local transmission plan
  - **Needs Meeting** –to review identified reliability criteria violations and other transmission needs that drive the need for local transmission facilities
  - **Solutions Meeting** – to review potential solutions to those reliability criteria violations and other transmission needs

New York ISO

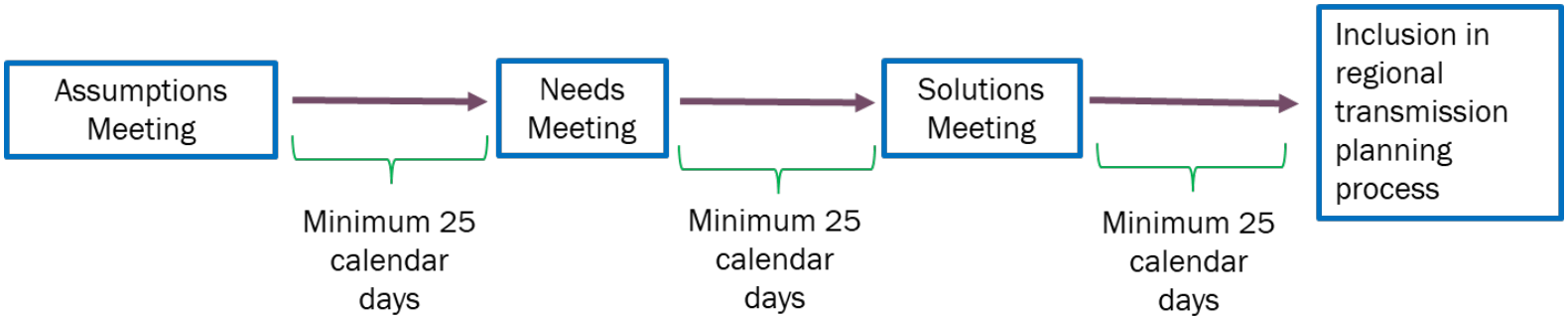
Order No. 1920 Local Transmission Planning Requirements (Cont.)

- Transmission Providers must post the meeting materials no fewer than five calendar days prior to each of the three publicly noticed stakeholder meetings
- Stakeholders must have the opportunity before and after each meeting to submit comments.
- Transmission Providers must respond to questions and comments from stakeholders such that stakeholder can meaningfully participate in the required meetings, but Transmission Providers are not required to incorporate stakeholder proposals or comments into their transmission plans.
- Transmission Providers are not required to hold a single stakeholder meeting among all Transmission Providers in the region, so long as the requirements are met for each Transmission Provider.

New York ISO

Local Transmission Planning Proposal

- **NYISO Proposal**
  - NYTOs must make annual updates to their LTPs consistent with the meeting, posting, and comment requirements in Order No. 1920.
  - The annual process will function as follows:



New York ISO

Local Transmission Planning Proposal

- **NYTOs may update their LTPs between these annual updates.**
- **For such updates, the TOs must satisfy the same requirements, including the use of three-meetings, for the annual update, except:**
  - (i) the TO is not required to use all three meetings to update its LTP if the update does not modify, as applicable, the assumptions, needs, or solutions already addressed in a prior meeting.
  - (ii) the TO may hold a consolidated assumptions, needs, and solutions meeting in limited circumstances in which the NYTO determines an immediate update is required to the LTP to comply with Good Utility Practice and there is not sufficient time to use the normal process. In such case, the TO must describe the circumstances that generated the need and explain why it was not identified in time to use in the normal process.
  - (iii) the TO may hold a consolidated assumptions, needs, and solutions meeting if an update to a Transmission Owner's LTP can address a potential Short-Term Reliability Need.

New York ISO

Order No. 1920 Interconnection-Related Transmission Needs Requirements

- **Transmission Providers must evaluate for selection in their existing Order No. 1000 regional transmission planning processes regional transmission facilities to address interconnection-related transmission needs that have been identified in the generator interconnection process where:**
  - the Transmission Provider has identified the relevant interconnection-related transmission need in interconnection studies in at least two interconnection queue cycles (or in at least two individual interconnection studies for Transmission Providers that use a first-come, first-served serial generator interconnection process);
  - the interconnection-related network upgrade identified in the generator interconnection process to meet the relevant interconnection-related transmission need has a voltage of at least 200 kV and an estimated cost of at least $30 million;
  - the interconnection requests that led to the identification of the interconnection-related transmission need in two or more interconnection queue cycles (or two individual interconnection studies if the Transmission Provider uses a first-come, first-served serial generator interconnection process) have been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal;

New York ISO

Order No. 1920 Interconnection-Related Transmission Needs Requirements (Cont.)

- the Transmission Provider has not identified an interconnection-related network upgrade to address the relevant interconnection-related transmission need in an executed generator interconnection agreement or in a generator interconnection agreement that the interconnection customer requested that the Transmission Provider file unexecuted with the Commission; and
- the interconnection request withdrawals associated with the repeatedly identified interconnection-related transmission need occurred no earlier than seven calendar years prior to the commencement date of the Order No. 1000 regional transmission planning and cost allocation cycle.

New York ISO

Order No. 1920 Interconnection-Related Transmission Needs Requirements (cont.)

- **Transmission providers must evaluate in their existing Order No. 1000 regional transmission planning and cost allocation processes regional transmission facilities that address the identified interconnection-related transmission needs.**
  - The initial evaluation should occur in the first Order No. 1000 regional transmission planning and cost allocation cycle to occur after the effective date of the tariff revisions implementing this reform.
  - The Transmission Provider is not required as part of this process to select a transmission facility.
  - The Transmission Provider need not evaluate an interconnection-related transmission need that has been evaluated in a previous Order No. 1000 regional transmission planning and cost allocation cycle.
  - The Transmission Provider may identify individual regional transmission solutions to address each identified interconnection-related transmission need or an aggregate regional transmission solution to address multiple interconnection-related transmission needs.

New York ISO

Interconnection-Related Transmission Needs Proposal

- In its Public Policy Process, the NYISO will identify a list of interconnection-related transmission needs during the same time period in which stakeholders may submit Public Policy Requirements that may drive the need for transmission.
  - NYISO will propose limited variations concerning rules for identifying Interconnection-Related Transmission Needs to align with NYISO's interconnection process
- NYISO will submit the list of potential interconnection-related transmission needs along with the proposed public policy transmission needs identified by stakeholders to the PSC
- PSC may consider these transmission needs in determining whether to declare any Public Policy Transmission Needs to be addressed through the Public Policy Process

New York ISO

Order No. 1920 Alternative Transmission Technologies Requirements

- **Transmission Providers must consider in their Long-Term Regional Planning process and their existing Order No. 1000 processes the following alternative transmission technologies:**
  - **Dynamic Line Ratings** - "a transmission line rating that applies to a time period of not greater than one hour and reflects up-to-date forecasts of inputs such as (but not limited to) ambient air temperature, wind, solar heating, transmission line tension, or transmission line sag."
  - **Advanced Power Flow Control Devices** that serve a transmission function. These devices can help the system operator control power flows over a given path and can include phase shifting transformers (also known as phase angle regulators) and devices or systems necessary for implementing optimal transmission switching. Advanced power flow control devices allow power to be pushed and pulled to alternate lines with spare capacity leading to maximum utilization of existing transmission capacity.
  - **Advanced Conductors** - present and future transmission line technologies whose power flow capacities exceed the power flow capacities of conventional aluminum conductor steel reinforced conductors
  - **Transmission Switching** - the opening or closing of transmission elements to safely route power and direct flows away from congestion, based on pre-existing forward analysis

New York ISO

Order No. 1920 Alternative Transmission Technologies Requirements (cont.)

- When evaluating regional transmission facilities, as well as upgrades to existing transmission facilities, for potential selection, Transmission Providers must consider whether regional transmission facilities that incorporate, or solely consist of, any of the enumerated list of alternative transmission technologies would be more efficient or cost-effective than selecting new regional transmission facilities or upgrades to existing transmission facilities that do not incorporate these technologies.
- Transmission Providers must identify with sufficient detail the point(s) in a given process at which the Transmission Provider will consider the potential use of alternative transmission technologies, including the point at which qualified transmission developers must submit any proposal to incorporate alternative transmission technologies.
- Transmission Providers must include with their explanation to stakeholders concerning why a particular transmission facility was or was not selected an explanation that is sufficiently detailed for stakeholders to understand why the alternative transmission technologies were or were not incorporated into selected regional transmission facilities, including whether the Transmission Provider did not select an alternative transmission technology due to concerns over the costs of upgrading energy management systems.

New York ISO

Alternative Transmission Technologies Proposal

- Developers proposing competitive transmission solutions in the NYISO's existing Order No. 1000 transmission planning processes and the new Long-Term Transmission Planning Process must submit a description of any Alternative Transmission Technologies included as part of their projects or an explanation of Developer's determination not to propose these technologies as part of the Project proposals.
- Consistent with Order No. 1920, the Alternative Transmission Technologies include: (i) dynamic line ratings, (ii) advanced power flow control devices, (iii) advanced conductors, or (iv) transmission switching, as these technologies will be further described in ISO Procedures.
- The NYISO will include in its draft final reports for the applicable transmission planning process a description of any Alternative Transmission Technologies that Developers propose to include as part of their transmission solutions, along with a summary of any Developers' explanations of their determinations not to propose Alternative Transmission Technologies as part of their proposed transmission solutions.

New York ISO

Order No. 1920 Right-Sized Replacement Requirements

- Transmission Providers must evaluate as part of their Long-Term Transmission Planning process whether transmission facilities that meet the following requirements can be "right-sized" to more efficiently or cost-effectively address a Long-Term Transmission Need:
  - operating above a specified kV threshold and
  - that an individual Transmission Provider that owns the transmission facility anticipates replacing in-kind with a new transmission facility during the next 10 years
- A right-sized replacement transmission facility that is selected to meet Long-Term Transmission Needs will be subject to a federal right of first refusal for the Transmission Provider whose transmission facility is being right-sized

New York ISO

Order No. 1920 Right-Sized Replacement Requirements (cont.)

- **Each Transmission Provider must submit at a point sufficiently early in each Long-Term Regional Transmission Planning cycle its in-kind replacement estimates for use in Long-Term Regional Transmission Planning.**
  - Transmission Providers must propose a threshold that does not exceed 200 kV to be used in identifying transmission facilities that an individual Transmission Provider anticipates replacing in-kind with a new transmission facility during the next 10 years, which it must then include in its in-kind replacement estimates.
  - The 10-year window begins at the start of the Long-Term Regional Transmission Planning cycle.
  - An "in-kind replacement transmission facility" is a new transmission facility that: (1) would replace an existing transmission facility that a Transmission Provider has identified in its in-kind replacement estimate as needing to be replaced; (2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced; and (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced.

New York ISO

Order No. 1920 Right-Sized Replacement Requirements (cont.)

- **If Transmission Providers identify a right-sized replacement transmission facility as a potential solution to a Long-Term Transmission Need as part of Long-Term Regional Transmission Planning, that right-sized replacement transmission facility must be evaluated in the same manner as any other proposed Long-Term Regional Transmission Facility to determine whether it is the more efficient or cost-effective transmission facility to address the transmission need.**
- **At this stage Transmission Providers must use the in-kind replacement estimates to determine if in-kind replacement transmission facilities could be right-sized to more efficiently or cost-effectively address a Long-Term Transmission Need(s).**
  - "right-sizing" is the process of modifying a Transmission Provider's in-kind replacement of an existing transmission facility to increase that facility's transfer capability.
  - A "right-sized replacement transmission facility" is a new transmission facility that: (1) would meet the need to replace an existing transmission facility that a Transmission Provider has identified in its in-kind replacement estimate as one that it plans to replace with an in-kind replacement transmission facility while also addressing a Long-Term Transmission Need; (2) results in more than an incidental increase in the capacity of an existing transmission facility that a Transmission Provider has identified for replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of, the existing transmission facility that a Transmission Provider has identified for replacement in its in-kind replacement estimate.

New York ISO

Order No. 1920 Right-Sized Replacement Requirements (cont.)

- If a right-sized replacement transmission facility addresses the Transmission Provider's need to replace an existing transmission facility, meets the applicable selection criteria included in Long-Term Regional Transmission Planning, and is found to be the more efficient or cost-effective solution, then the right-sized replacement transmission facility must be considered for selection.

New York ISO

Right-Size Replacement Proposal

- TOs must provide their list of "in-kind" replacement estimates before finalization of the Outlook report. NYISO would make the list available on its website.
  - TOs will include in-kind replacement facilities above 200kV at a minimum. Lower kV in-kind replacement facilities may be included by TO at its discretion.
- TOs may choose to present right-sizing opportunities to NYISO stakeholders for informational purposes before NYISO's solicitation for proposals
- Developers (incumbent and non incumbent) may propose right-sized replacement facilities as part of the project proposals to address Long-Term Transmission Need(s)
- Projects which include right-sized replacement facilities will be evaluated in the same manner as projects which do not include right-sized replacement facilities.
- Right-sized replacement facilities will be subject to same rules for ROFR election and cost containment as Long-Term Transmission Upgrade. Similar to the treatment of Upgrades the capital cost of right-sized replacement facilities will be treated as an Excluded Capital Cost.

New York ISO

Order No. 1920 Voluntary Funding Requirements

- **Transmission Providers must include a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet Transmission Providers' selection criteria.**
  - The process must be transparent and not unduly discriminatory or preferential; and Transmission Providers must consult with and seek support from Relevant State Entities when developing such processes.

New York ISO

Order No. 1920 Voluntary Funding Requirements (cont.)

- **Transmission Providers must include in their OATT:**
  - the process by which Transmission Providers will make voluntary funding opportunities available to Relevant State Entities and interconnection customers, which must ensure that they receive timely notice and a meaningful opportunity;
  - the period during which Relevant State Entities and interconnection customers may exercise the voluntary funding option;
  - the method that Transmission Providers will use to determine the amount of voluntary funding required to ensure that the Long-Term Regional Transmission Facility meets the Transmission Providers' selection criteria; and
  - the mechanism through which Transmission Providers and Relevant State Entities or interconnection customers will memorialize any voluntary funding agreement.

- **For any portion of the costs of a selected Long-Term Regional Transmission Facility that is not voluntarily funded, such remaining costs must be allocated according to either the applicable Long-Term Regional Transmission Cost Allocation Method or a cost allocation method resulting from a State Agreement Process.**

New York ISO

Voluntary Funding Proposal

- See slides 15-18.

Order No. 1920 Reevaluation Requirements

- **Transmission Providers must provide for reevaluation of any selected Long-Term Regional Transmission Facilities in the following three situations (subject to limitations described in the below slides):**
  - delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a Transmission Provider's ability to meet its reliability needs or reliability-related service obligations;
  - the actual or projected costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the selection of a Long-Term Regional Transmission Facility; or
  - significant changes in federal, federally-recognized Tribal, state, or local laws or regulations cause reasonable concern that a previously selected Long-Term Regional Transmission Facility may no longer meet the Transmission Providers' selection criteria.

- **Transmission Providers must include specific criteria in their OATTs that they will use to determine when one of these three situations occurs, including the potential outcomes of reevaluation (e.g., taking no action, imposing a mitigation plan, reassigning the Long-Term Regional Transmission Facility to a different transmission developer, modifying the Long-Term Regional Transmission Facility, removing the Long-Term Regional Transmission Facility from the regional transmission plan).**
  - Transmission Providers must balance the need to provide developers with adequate investment certainty against the risk that, due to significant changes in circumstances, failing to reevaluate a selected Long-Term Regional Transmission Facility may result in the over-building of transmission.

New York ISO

Order No. 1920 Reevaluation Requirements (Cont.)

- **Transmission Providers must account for the following requirements for their reevaluation processes:**
  - Reevaluation on the basis of cost increases or significant changes in federal, federally-recognized Tribal, state, or local laws or regulations must be part of a subsequent Long-Term Regional Transmission Planning cycle following selection and must take into account not only the updated costs but also the updated benefits of the Long-Term Regional Transmission Facility.
  - In order to allow for reevaluation to occur, these processes and procedures must include mechanisms for tracking costs so that Transmission Providers have an accurate way to determine if the actual or projected costs of the previously selected Long-Term Regional Transmission Facility exceed cost estimates by the relevant threshold, therefore requiring TPs to reevaluate that Long-Term Regional Transmission Facility.
  - The reevaluation processes and procedures must seek to maximize benefits accounting for costs over time without over-building transmission facilities.

New York ISO

Order No. 1920 Reevaluation Requirements (Cont.)

- **Transmission Providers must account for the following requirements for their reevaluation processes:**
  - Transmission Providers may not reevaluate any selected Long-Term Regional Transmission Facility on the basis of significant changes in federal, federally recognized-Tribal, state, or local laws or regulations unless, during the Long-Term Regional Transmission Planning cycle in which Transmission Providers selected the Long-Term Regional Transmission Facility, the Long-Term Regional Transmission Facility's targeted in-service date was in the latter half of the 20-year transmission planning horizon for Long-Term Regional Transmission Planning.
  - Transmission Providers must designate a point after which all selected Long-Term Regional Transmission Facilities will no longer be subject to reevaluation (e.g., when the facility's transmission developer has secured all relevant permits and authorizations for the Long-Term Regional Transmission Facility.)

New York ISO

Reevaluation Requirements Proposal

- Projects will be subject to reevaluation due to (i) project development delays (example in-service date) impacts reliability; (ii) the actual or projected costs “significantly exceed” estimated costs; or (iii) “significant changes” in laws/regulations.
- NYISO continuing to develop reevaluation proposal.

New York ISO

Appendix

Order No. 1920 Definitions

Order No. 1920 Definitions

- **The following are relevant defined terms in Order No. 1920**
  - **In-kind replacement transmission facility:** a new transmission facility that (1) would replace an existing transmission facility that a Transmission Provider has identified in its in-kind replacement estimate as needing to be replaced; (2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced; and (3) is locate din the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced
  - **Local transmission facility:** a transmission facility located solely within a Transmission Provider's retail distribution service territory or footprint that is not selected in the regional transmission plan for purposes of cost allocation
  - **Long-Term Transmission Needs:** transmission needs identified through the Long-Term Regional Transmission Planning by, among other things and as discussed in [Order No. 1920], running scenarios and considering enumerated categories of factors
  - **Long-Term Scenarios**: scenarios that incorporate various assumptions using best available data inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon to identify Long-Term Transmission Needs and enable the identification and evaluation of transmission facilities to met such transmission needs
  - **Long-Term Regional Transmission Facility**: a regional transmission facility that is identified as part of Long-Term Regional Transmission Planning to address Long-Term Transmission Needs
  - **Best available data inputs**: data inputs that are timely, developed using best practices and diverse and expert perspectives, and adopted via a process that satisfies the transmission planning principles of Order Nos. 890 and 1000, and reflect the list of factors that Transmission Providers account for in the Long-Term Scenarios

* This should not be considered to be an exhaustive list of the defined terms in Order No. 1920

New York ISO

Order No. 1920 Definitions

- **The following are relevant defined terms in Order No. 1920 (continued)**
  - **Long-Term Regional Transmission Cost Allocation**: an *ex ante* regional cost allocation method for one or more selected Long-Term Regional Transmission Facilities (or a portfolio of such Facilities) that are selected in the regional transmission plan for purposes of cost allocation
  - **Regional transmission facility**: a transmission facility located entirely in on transmission planning region
  - **Relevant State Entity**: any state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state
  - **Right-sized replacement transmission facility**: a new transmission facility that: (1) would meet the need to replace an existing transmission facility that a Transmission Provider has identified in its in-kind replacement estimate as one that it plans to replace with an in-kind replacement transmission facility while also addressing a Long-Term Transmission Need; (2) results in more than an incidental increase in the capacity of an existing transmission facility that a Transmission Provider has identified for replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of, the existing transmission facility that a Transmission Provider has identified for replacement in its in-kind replacement estimate
  - **Right-sizing**: the process of modifying a Transmission Provider's in-kind replacement of an existing transmission facility to increase the facility's transfer capability
  - **State Agreement Process**: a process by which one or more Relevant State Entities may voluntarily agree to a cost allocation method for Long-Term Regional Transmission Facilities (or a portfolio of such Facilities) before or no later than six months after they are selected
  - **Transmission Provider:** a public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff

* This should not be considered to be an exhaustive list of the defined terms in Order No. 1920

New York ISO